

environment, DCAA uses many means to keep auditors informed and provide reinforcement formal classes, seminars, videos, guidance memorandums, team meetings and auditor-to-auditor sharing of experience. It will take time and practice for DCAA auditors to become comfortable with using new processes. As DCAA auditors become more familiar with expectations and constraints, today's extraordinary effective communication and efficient operation will soon become the norm.

Customer Focus

Customer focus is a major part of DCAA's strategic plan. One goal is to "assure customer satisfaction by providing timely and responsive audits and financial services that meet or exceed customer requirements and expectations. "To measure progress in this area, DCAA performs periodic customer surveys in which it asks buying officials about all experiences with DCAA. Results of a 1997 overall customer satisfaction survey are shown in figure 1.

Although these ratings are up from those in a 1995 survey, there is still room for improvement.

DCAA encourages field auditors to work with COs before, during, and after the audit/review to prioritize and determine how best to respond to the COs needs. As a result of DCAA's significant experience with many contractors, auditors are usually able to provide expertise based on that experience and to recommend the most efficient and effective audit services for the situation. For occasional emergencies, DCAA is willing and eager to cooperate as fully as possible to satisfy a command's mission requirements.

In addition to the field auditors, PLAs, many of them located at customer sites, are available to assist customers. PLAs do not interfere with routine cooperative relationships between customers and cognizant audit offices. They do not, however, get involved in facilitating communication when there is confusion or disagreement on audit matters, or when unusual audit requests are being made. PLAs provide general expertise day to day to COs, contract specialists, and price analysts on both audit matters and types of audit services available. PLAs also elevate unusual or systematic customer concerns to DCAA management.

Although DCAA acknowledges the need for auditors to ensure their full involvement with the customer during the

audit or review, COs also are encouraged to communicate with the auditor before, during, and after audit/review.

DCAA's regions and headquarters monitor the number of elapsed days from the date on CO request to the CO's receipt of an audit report. Late receipt of an adequate proposal is a mitigating factor that can delay an audit, but the measurement still begins with the date of the CO request. Comments, concerns, and recommendations about audit services should be raised to DCAA through the field audit office, PLA, or directly to agency management. If you are in doubt as to whom to contact, call the Audit Liaison Division at 703/767-2300. DCAA always appreciates feedback and uses it to continuously improve its services and customer satisfaction. DCAA's vision statement provides its ultimate goal: "Our aim is to be the audit organization with the foremost reputation for competence, integrity, and customer satisfaction.

RECENT HQ USACE INTERNAL AUDIT & INSPECTOR GENERAL FINDING

Corps contracting offices are not conducting a thorough market research in their efforts to acquire contractor support services.

FAR 10.001 states that "agencies shall conduct market research appropriate to the circumstances before developing new requirements documents for an acquisition by that agency." It goes on to say techniques for conducting market research may include "querying government data bases that provide information relevant to agency acquisitions ... and obtaining source lists of similar items from other contracting offices and agencies."

The Information Technology Management Reform Act (ITMRA) authorizes the Office of Management and Budget (OMB) to designate "one or more agency heads as executive agents for Governmentwide acquisitions of information technology." Pursuant to that authority, OMB designated the General Services Administration (GSA) as an executive agent, thereby exempting any interagency dealings with GSA from the requirements imposed by the Economy Act. That Act still permits requiring agencies to place orders for goods and services with other agencies,

but only after following specific rules. The Army Federal Acquisition Regulation Supplement (AFARS) provides just that in Subpart 17.5. It states that proposed interagency acquisitions would necessitate the preparation of a written determination and finding by the requiring activity, review of same by legal counsel and approval by "a level no lower than a S/General Officer who is a Commander/Director of the requiring activity."

OMB memorandum M-97-07, Subject: Multi agency Contracts under the Information Technology Management Reform Act of 1996, 26 February 1997, provided further guidance on this matter. The memo authorized other (than GSA) agencies to enter into Multi agency contracts for information technology (IT) and promoted their use, advocating that the aggregation of agency demand would encourage contractors "to offer the best possible prices, and serve to reduce the overhead associated with multiple acquisitions, particularly by smaller agencies."

The Office of the Assistant Secretary, Research, Development and Acquisition, Department of the Army, has also discussed the use of these contracts in memorandum SAID-PP, Subject: Indefinite Delivery (ID) Contracts, 22 September 1997. That memo states the "the Army shall make the maximum practicable and prudent use of ID contracts, both as a user of non-Army instruments and in the establishing and awarding of such instruments." It goes on to say that Army offices shall "not award a new, single purpose contract if there is an existing ID contract, Army or non-Army, that will satisfy the requirement and represents the best business arrangement for the Army..." It further reinforces the elite status of GSA, stating that Economy Act requirements do not apply when requirements with funds are sent to GSA for IT.

Every subordinate command visited during the course of our inspection shared a common need for contractor support in performing their information technology function. Those needs would typically be categorized as facilities management/maintenance services and include network management and maintenance, data entry, microcomputer and end user support and staffing the help desk. The Corps offices would either contract for those services directly or enter into an interagency agreement with GSA for the

providing of same.

The most popular of the various Governmentwide Agency contracts (WACS) offered by GSA are those awarded under the Federal Information Systems Support Program (FISSP). That program is designed to provide IT services to client agencies on a *negotiable* fee for service basis. GSA will always assign a project manager to the client office/agency using their contract(s). That project manager will offer to provide the client with a variety of services, to include writing the statement of work, developing a cost estimate and negotiating a firm fixed/ceiling price with the contractor. The cognizant GSA regional office would assume financial management of the contract, a responsibility that would entail reviewing and certifying contractor invoices for payment and making the appropriate payments. The client office's representative would be responsible for determining acceptability of contractor services.

Most of the inspected offices relied upon GSA to provide them with contractor support and many of the accompanying interagency agreements were entered into prior to the passage of the ITMRA. The clients were comfortable with the arrangement and saw no need to look elsewhere in view of GSA's "executive agent" status. They were satisfied with the quality of the services received and felt strongly that the rates negotiated for contractor services were unbeatable. Those opinions were reinforced by a limited market research that often times was no more extensive than placing phone calls to area businesses, inquiring about availability of resources and requesting quotes. The possibility that better deals were obtainable from other providers of WACS was never a consideration.

A few offices chose to acquire contractor services directly, awarding contracts to predominantly small businesses. Their choices were made after soliciting best offers from those businesses and comparing same with what GSA had in place for that locale. The accompanying documentation supported their decisions, as the majority of the rates bettered what GSA had negotiated for the same/similar skills, sometimes by amounts exceeding \$10.00/hr. It also served to refute any unqualified claims made by GSA-serviced offices about the futility of market

research.

The individuals involved in making the above decisions weren't completely without fault, however. They were queried about researching the GWAC market outside of GSA. They had not done so, owing to either concerns over the restrictions imposed by the Economy Act or ignorance of the GWAC market. Concerns over the Economy Act dealt specifically with the review and approval requirements (i.e., approval at a level no lower than a S/General Officer). A strict reading of the AFARS would necessitate the forwarding of all district command "determinations and findings" to the major subordinate command for approval. Many viewed that stipulation as a disincentive to look to other agencies.

The number of agencies involved in Multi agency contracts has grown considerably in recent years. GSA freely admits that it receives stiff competition from agencies such as the Department of Transportation (the Information Technology Omnibus Procurement), the National Institute of Health (the Chief Information Officer Solutions and Partners contract) and the Defense Information Systems Agency (the Defense Enterprise Integration Services - 11 contract). Further information on those WACS available for use by all Federal agencies can be obtained by visiting the Defense Information Systems Agency website at <http://www.disa.mil/D7>.

NEW SARDA POLICY

Authority for Severable service Contracts that Cross Fiscal Years

(Esther Morse, SARDA)

Look for and review Policy Memorandum, SAID-PP, dated 20 March 1998

Section 801 of the FY98 Defense Authorization Act Authorizes contracts for procurement of severable services for a period that begins in one fiscal year and ends in the next fiscal year if (without regard to any option to extend the period of the contract) the contract period does not exceed one year. Funds made available for a fiscal year may be obligated for the total amount of an action entered into under this authority (see 37.106(b)).

The Defense Acquisition Regulations (DAR) Council has

drafted language which amends FAR 32.703 and 37.106 to implement this change. Also revisions to DFARS 237.106 will require departments and agencies to submit reports not later than 15 days after the end of both fiscal years 1998 and 1999 concerning contracts award under this authority.

I hereby grant a class deviation to FAR 32.703 and 37.106, authorizing contracting officers to enter into contracts for periods that cross fiscal years if (without regard to any option to extend the period of the contract) the contract period does not exceed one year. This class deviation is effective immediately, is assigned number 98-DEV-1, and is available for use until such time as the FAR and DFARS changes become effective.

NEWS ABOUT US

Anthony (Tony) Cochran, HQ, Chief of Operations & Contract Management Review Division, is now Director of Contracting Position at North Atlantic Division, effective April 12, 1998.

Raymond (Ray) Pollard, Acting Chief of Contracting Policy Division, moved to a job at Defense Logistics Agency, International, effective March 16, 1998.

Mary Fitzgerald, GS-13, New Senior Procurement Analyst Operations Division, has reported for duty on 10 May 1998.

LTC Tillman, Deputy Chief, Policy Division, has reported for duty on 4 May 1998.

LTC Moran, Deputy Chief, Operations Division, will be reporting for duty July 1998. He is presently in Korea.

Roger Adams, will be joining the PARC office soon in Contracting Policy Division. Roger will be serving as a GS-1102-13 Senior Procurement Analyst. He previously served with the Corps of Engineers handling the Contingency Contracting Operations in Germany.

COL Moyer, Deputy Chief, OPARC, has been selected for FY99 Colonel Acquisition Command! Congratulations to Col Moyer! She has also been notified of her early activation, assuming command, August 1998.